

than eighty thousand inhabitants and at the parent bank the notes of German banks whose circulation was authorized throughout the Empire and which were redeemable in coin on demand. Bills on one bank thus received by another could be used only in the settlement of balances with the bank of issue, employed in payments within the territory of the issuing bank or presented for redemption. Banks desiring to conform to the requirements of Article 44 were required to present to the Chancellor of the Empire the evidence that their statutes conformed to the law and that the locality chosen for the exchange of bills (Berlin or Frankfort) possessed a branch ready for actual operation.

Much feeling was aroused among the German banks upon the passage of this law and fifteen of the thirty-two outside the Bank of Prussia promptly abandoned their right to circulation, and became mere private banks of discount and deposit, rather than conform, to all the requirements of the new law. The Bank of Brunswick took the bolder course, which it was believed no bank would be able to maintain, of refusing to comply with Article 44 and continuing its circulation under the limitations of Articles 42 and 43. The Bank of Brunswick, therefore, continued to issue bills which circulated within the limits of the duchy and braved the efforts of the Bank of Prussia to force it into submission. The Prussian Bank refused to receive the paper of the Bank of Brunswick and upon the failure of this device had orders issued to the postal savings banks not to receive the notes of the bank on deposit. The latter measure threatened to arouse so much of the old separatist feeling in Germany that it was abandoned by direction of the Chancellor. Frederick William of Brunswick died during the latter part of 1884, and Prince Albert of Prussia, the nephew of the German Emperor, was elected Duke of Brunswick by the Diet on October 21, 1885. The close relations thus established between Brunswick and the Imperial government soon led to the compliance of the Bank of Brunswick with the provisions of Article 44.

The purpose to clear the field for the circulation of the Im-